

Coconino County
Office of the County Manager
Director of Special Initiatives
219 E. Cherry Ave.
Flagstaff, AZ 86001-4695

Phone :(928) 779-6576 Fax: (928) 779-6893

E-Mail: landreani@coconino.az.gov

March 23, 2007

Re: Urgent - Read Below and Return your Ballot Now

Dear North Stardust - Antelope Road County Improvement District Member,

Members of the North Stardust-Antelope Road Improvement District held a meeting on February 21, 2007 to discuss the status of the district. Thank you to all who attended and participated in that meeting. During the meeting we agreed to conduct an election to determine if district members would like to proceed or not to proceed with the road improvements.

For those of you that could not attend the meeting, here is an update on the current status. The County Right-of-Way agent has contacted all 21 property owners along North Stardust (the only road to be paved). To date, the County has received signed rights- of-ways from only 10 of the 21 property owners. The remaining eleven rights-of-way must be secured to proceed with any road improvements. The discussion during the meeting centered on whether or not the District members wish to pay property owners to purchase their rights of way so that the project can move forward.

Please read the following two options, identified at our meeting, very carefully. <u>You are asked to vote for one of these options.</u>

Option 1: Purchase Rights-of-Way

In order to initiate road construction, the District must secure all remaining eleven rights-of-way. Attached is a sheet titled, *N. Stardust CID Credit to Parcels without Right of Way*, which shows the value of each right-of-way. This value is based on a study of the Doney Park area prepared by the County's Right-of-Way agent. The current per acre value in Doney Park based on comparable sales is \$80,000/acre. The value of each right-of-way is calculated by taking the amount of land needed for each right-of-way and multiplying it by \$80,000/acre. Since the meeting, the Right-of-Way agent has contacted the property owners along Stardust that own the parcels involved and overall she characterizes their responses to purchasing the rights-of-way as "positive," meaning that the property owners expressed an interest in selling their rights-of-way at the price indicated or less. Of course, the final cost cannot be known until all the rights-of-way purchases are negotiated.

If this option is chosen, then the total cost for the project will increase because of the need to purchase rights-of-way from property owners. In the attachment, the total cost, including estimated rights-of-way costs for the entire project is shown, as are the costs if the total is equally distributed among all 87 district members. Ultimately the Board of Directors of your District determines how the costs are shared within the District, but

often with a district of this type (very similar lot sizes) the total cost of the project would be shared equally by all district members.

If district members elect to proceed with the project, then the Right-of-Way agent will begin negotiating with the property owners to arrive at a final cost. After completing the negotiations, the district members will be notified of the total final cost. If the rights-of-way issue is resolved, then the next step will be to decide on the assessment methodology, or how the total cost will be divided up between the district members (e.g. shared equally or another approach). Again, ultimately the Board of Directors determines the best assessment methodology based on input from district members and the District Engineer.

Option 2: Discontinue Proceeding with the District

The second option is to halt progress of the paving project. As discussed since the beginning, all 87 property owners in the District will be accountable for the incurred costs for the District, up to the date of the vote to stop the project. The total cost for the district as of February 20, 2007 is \$254,582.64. According to state law, the total cost will be distributed based on assessed property values. Attached is a sheet titled, Cost Allocation per Parcel if N. Stardust CID is Discontinued, which shows the assessed property value and the division of total project costs by parcel. Please note that the costs are based on the above date and if the district decides to proceed with rights-ofway negotiations but later votes to stop the project, additional costs will be added to the total. Also if valuations change before the District debt is paid, then those valuations will be used in the calculation of the division of costs. If the district is discontinued, then the per parcel cost based on assessed value will be shown on each property owner's next property tax bill. The tax bill must be paid in full or a lien will be placed on your property as is done when property taxes are not paid. These costs cannot be financed through the County. Under this scenario, the district would be discontinued but left in place so that at some future time district members wanted to pursue improvements they could using the existing district structure. If the district is discontinued and then resurrected in the future, then the project would be re-engineered and a new cost estimate developed.

Election Process:

Attached you will find the election ballot. The deadline for submitting your ballot is **Friday**, **April 13** (approximately two weeks). We strongly encourage you to fill it out right now and mail it back as soon as possible in the enclosed, self-addressed envelope. Please be sure to add a stamp to the envelope. A good "turn-out" is very important so we have a clear sense of how the district wants to proceed.

Once we have received and tallied all the ballots, we will communicate the results to all of you. Thank you for your cooperation and please contact me at 928-779-6576 or my assistant, Eslir Musta at 928-679-7176, if you have any questions.

Sincerely,

Lucinda Andreani Director of Special Initiatives ______

NAME OF PROPERTY OWNER:

NORTH STARDUST-ANTELOPE DISTRICT DIRECTION BALLOT

Please clearly circle the option you prefer and return it as soon as possible

- OPTION 1 Purchase all Rights-of-Way at the \$80,000/acre or less value and continue with the next steps
- o OPTION 2 TERMINATE THE PROJECT/DISCONTINUE THE DISTRICT